

**SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/10/07

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Southeastern Athletics Association, Inc.
Hammond, Louisiana

We have audited the accompanying statement of financial position of Southeastern Athletics Association, Inc. (a Louisiana non-profit corporation) as of June 30, 2006, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southeastern Athletics Association, Inc. as of June 30, 2006 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2006, on our consideration of Southeastern Athletics Association, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Southeastern Athletics Association, Inc. taken as a whole. The accompanying schedule of revenues, other support and expenses by program and supporting services is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in this schedule has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



August 24, 2006

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SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2006

ASSETS

Current Assets

Cash and cash equivalents	\$ 41,376
Accounts receivable	139,189
	<u>180,565</u>

Property and equipment

Office furniture and equipment	23,978
Sports equipment	279,885
	<u>303,863</u>
Less accumulated depreciation	<u>(42,528)</u>
	<u>261,335</u>

TOTAL ASSETS	<u>\$ 441,900</u>
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LIABILITIES AND NET ASSETS/(DEFICIT)

Current Liabilities

Line of credit	\$ 30,100
Accrued interest payable	2,533
Accounts payable	6,952
Due to Southeastern Louisiana University	131,946
Due to Southeastern Development Foundation, Inc.	64,018
Current maturities of long-term debt	<u>50,399</u>
	285,948

Long-Term Liabilities

Long-term debt, net of current maturities	<u>136,214</u>
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TOTAL LIABILITIES	422,162
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Net Assets/(Deficit)

Unrestricted	(33,559)
Temporarily restricted	<u>53,297</u>
	<u>19,738</u>

TOTAL LIABILITIES AND NET ASSETS/(DEFICIT)	<u>\$ 441,900</u>
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The accompanying notes are an integral part of this statement.

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS/(DEFICIT)
FOR THE YEAR ENDED JUNE 30, 2006

	Unrestricted	Temporarily Restricted	Total
Revenue and other support			
Donations	\$ -	\$ 95,000	\$ 95,000
Sponsors	289,091	114,398	403,489
In-kind donations	56,594	107,870	164,464
Memberships	45,915	30,775	76,690
Special events/tournaments	2,490	100,693	103,183
Other revenue	11,911	12,919	24,830
Net assets released from restrictions			
Satisfaction of program restrictions	442,274	(442,274)	-
	<u>848,275</u>	<u>19,381</u>	<u>867,656</u>
Total revenue and other support			
	848,275	19,381	867,656
Expenses			
Restricted			
Departmental	231,348	-	231,348
Programs	210,926	-	210,926
Awards	4,437	-	4,437
Broadcast	875	-	875
Depreciation	1,337	-	1,337
In-kind expenses	52,959	-	52,959
Insurance	1,675	-	1,675
Interest	12,057	-	12,057
Lease	2,805	-	2,805
Other	10,960	-	10,960
Membership benefits	8,061	-	8,061
Printing	79,608	-	79,608
Professional fees	11,059	-	11,059
Radio/TV	3,474	-	3,474
Signs	4,917	-	4,917
Special events	4,015	-	4,015
Supplies	1,907	-	1,907
Taxes	205	-	205
Telephone	1,296	-	1,296
Travel	878	-	878
University programs	193,646	-	193,646
Vehicle expense	3,457	-	3,457
	<u>841,902</u>	<u>-</u>	<u>841,902</u>
Changes in net assets	6,373	19,381	25,754
Net Assets/(Deficit)			
Beginning of year	(39,932)	33,916	(6,016)
End of year	<u>\$ (33,559)</u>	<u>\$ 53,297</u>	<u>\$ 19,738</u>

The accompanying notes are an integral part of this statement.

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Program Services</u>						
	<u>Baseball</u>	<u>Basketball</u>	<u>Football</u>	<u>Golf</u>	<u>Softball</u>	<u>Tennis</u>	<u>Training Room</u>
Awards	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Broadcast	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Fundraising	8,792	4,719	4,049	26,713	804	-	144
In-kind expenses	18,499	4,221	85,150	-	-	-	-
Insurance	-	-	2,399	-	-	-	-
Interest	-	-	1,025	-	-	-	-
Lease	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Membership benefits	-	-	-	-	-	-	-
Printing	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-
Radio/TV	-	-	-	-	-	-	-
Recruiting	63	2,238	60	7,467	896	-	-
Signs	-	-	-	-	-	-	-
Special events	-	-	-	-	-	-	-
Supplies	4,319	712	52	3,582	-	-	-
Taxes	124	930	2,106	-	-	-	-
Telephone	2,620	505	1,038	253	857	120	220
Travel	1,169	2,452	5,632	6,903	-	-	260
University programs	30,632	23,800	64,814	28,746	4,004	-	3,608
Vehicle expense	-	-	-	-	-	-	-
Total functional expenses	<u>\$ 66,218</u>	<u>\$ 39,577</u>	<u>\$ 166,325</u>	<u>\$ 73,664</u>	<u>\$ 6,561</u>	<u>\$ 120</u>	<u>\$ 4,232</u>
							<u>\$ 207</u>

The accompanying notes are an integral part of this statement.

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2006

	Program Services					Supporting Services	Total
	Volleyball	Soccer	Director Support	Student Athletic Advisory	Radio TV Facilities	Program Service Total	
Awards	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,437
Broadcast	-	-	-	-	-	-	875
Depreciation	-	-	-	-	9,338	9,338	1,337
Fundraising	4,200	909	-	-	-	5,109	-
In-kind expenses	-	-	-	-	-	-	52,959
Insurance	-	-	-	-	-	-	1,675
Interest	-	-	-	-	5,918	5,918	12,057
Lease	-	-	-	-	-	-	2,805
Other	-	-	-	-	-	-	10,960
Membership benefits	-	-	-	-	-	-	8,061
Printing	-	-	-	-	-	-	79,608
Professional fees	-	-	-	-	-	-	11,059
Radio/TV	-	-	-	-	-	-	3,474
Recruiting	2,515	3,629	-	-	-	6,144	-
Signs	-	-	-	-	-	-	4,917
Special events	-	-	-	-	-	-	4,015
Supplies	108	594	-	22	-	724	1,907
Taxes	-	-	-	-	-	-	205
Telephone	93	414	-	-	-	507	1,296
Travel	534	1,981	-	-	-	2,515	878
University programs	3,838	1,167	1,766	80	48,264	55,115	193,646
Vehicle expense	-	-	-	-	-	-	3,457
Total functional expenses	<u>\$ 11,288</u>	<u>\$ 8,694</u>	<u>\$ 1,766</u>	<u>\$ 102</u>	<u>\$ 63,520</u>	<u>\$ 85,370</u>	<u>\$ 399,628</u>

The accompanying notes are an integral part of this statement.

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006

Cash Flows From Operating Activities	
Change in net assets	\$ 25,754
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	10,675
(Increase)/decrease in accounts receivable	(110,270)
(Increase)/decrease in merchandise inventories	10,228
Increase/(decrease) in accounts payable	3,090
Increase/(decrease) in due (to)/from affiliates	40,681
Increase/(decrease) in accrued interest payable	(184)
Increase/(decrease) in deferred revenue	<u>(10,000)</u>
Net cash provided by (used in) operating activities	(30,026)
Cash Flows from Investing Activities	
Purchase of sports equipment restricted for donation to University	<u>(8,441)</u>
Net cash provided by (used in) investing activities	(8,441)
Cash Flows From Financing Activities	
Proceeds from long-term debt	30,100
Payments on long-term debt	<u>(48,179)</u>
Net cash provided by (used in) financing activities	<u>(18,079)</u>
Net increase/(decrease) in cash and cash equivalents	(56,546)
Cash and Cash Equivalents	
Beginning of year	<u>97,922</u>
End of year	<u><u>\$ 41,376</u></u>
Supplementary disclosures of cash flow information	
Cash paid during the year for:	
Interest paid	<u><u>\$ 19,185</u></u>

The accompanying notes are an integral part of this statement.

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Nature of Organization

Southeastern Athletics Association, Inc. (the Association) was incorporated on March 18, 1982 under the provisions of Louisiana Revised Statutes 12:201 as a non-profit corporation. The Association was formed to promote and support, on all levels, the Southeastern Louisiana University Athletics Program. The Association is supported primarily through contributions from corporate sponsors and private donors.

Basis of Accounting

The accompanying financial statements of the Southeastern Athletics Association, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Net assets of the Association and changes therein are classified and reported as follows:

- a) Unrestricted net assets are not subject to donor-imposed stipulations.
- b) Temporarily restricted net assets are subject to donor-imposed stipulations that can be fulfilled by actions of the Association and/or the passage of time.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains or losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Cash and Cash Equivalents

Cash and cash equivalents represent demand deposits and other investments with purchased maturities of three months or less.

Promises to Give

Pursuant with the Association's policy and in conformity with SFAS No. 116, unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Fixed Assets

Fixed assets utilized by the Association are generally not recorded on the financial statements of the Association, as these assets are owned by Southeastern Louisiana University. For those assets owned by the Association, purchased property and equipment greater than \$1,000 are carried at cost; while donated property and equipment are recorded at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over an estimated life between five and twenty-five years.

Donated Services

A significant portion of the Association's functions are conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the requirement for recognition under SFAS No. 116.

Income Tax Status

Under provisions of the Internal Revenue Code, Section 501 (c) (3), and the applicable income tax regulations of Louisiana, the Association is exempt from taxes on income other than unrelated business income. The Association has also been classified as an entity that is not a private foundation within the meaning of Section 509 (a) and qualifies for deductible contributions as provided in Section 170 (b)(1)(A)(VI). Since the Association had no net unrelated business income during the year ended June 30, 2006, no provision for income tax was made.

Accounts Receivable

Accounts receivable represent amounts owed for sponsorships. They are stated at amounts management expects to collect from outstanding balances. Based on prior experience, the Association feels that all amounts are collectable. It is the Association's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Expense Allocation

Directly identifiable expenses are charges to programs and supporting services. Management and general expenses include those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of the Association.

NOTE B – DONATED SERVICES AND SUPPLIES

In-kind donations of \$164,464 for donated services and supplies that the Association would normally have had to purchase were recorded because the donations met the criteria of enhancing non-financial assets and the value of the services and materials provided were readily determinable.

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2006:

Transportation equipment	\$ 3,635
Office equipment	13,467
Sports equipment	<u>286,761</u>
	303,863
Less accumulated depreciation	<u>42,528</u>
	<u>\$ 261,335</u>

The Association purchased equipment in the amount of \$53,314 over the past three years on behalf of Southeastern Louisiana University for various sports programs. The Association's policy is to donate these assets to the University. As of June 30, 2006, these assets were not donated to the University. The Association will not depreciate the equipment since, it will not derive any benefit from the equipment. Depreciation expense for the year ended June 30, 2006 was \$10,675.

NOTE D – DEBT

During 2006, the Association opened a \$30,100 line of credit of which none was available as of June 30, 2006. Bank advances on the credit line are payable on demand and carry an interest rate of 1.5% over prime (9.75% as of June 30, 2006). The credit line is unsecured.

The Association has a note payable for improvements to the facilities at Southeastern Louisiana University. The note payable, at a variable interest rate of 6.0% dated January 8, 2003, had an original loan amount of \$240,000, with a maturity date of November 8, 2007. The terms of the note require four annual principal and interest payments of \$25,605 and a final payment of the balance due on November 8, 2007. Revenues have been assigned as collateral. At June 30, 2006, the principal balance of the note is \$50,619 and interest expense during the fiscal year was \$3,904.

In March 2005, the Association converted a line of credit to an installment loan. Total proceeds were \$165,000 with a fixed interest rate of 6.75% to be paid in 71 monthly installments of \$2,791. This loan is unsecured. At June 30, 2006, the principal balance of the note is \$135,994 and interest expense during the fiscal year was \$10,470.

The future maturities of these notes payable are as follows:

Year ending	
2007	\$ 80,499
2008	51,855
2009	28,699
2010	30,719
2011	<u>24,941</u>
	<u>\$ 216,713</u>

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE E – FINANCIAL INSTRUMENTS

Concentration of credit risk arising from cash deposits in excess of insured limits

The Association maintains cash balances at several financial institutions located in Hammond, Louisiana. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. The Association's cash was not in excess of the FDIC insurance at June 30, 2006. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

Concentration of credit risk due to accounts receivable

Credit risk for accounts receivable is concentrated because substantially all of the balances are receivable from entities located within the same geographic region. Over 87% of the balance as of the year ended June 30, 2006 is due from one local institution.

NOTE F – RELATED PARTY TRANSACTIONS

The Association occupies an office provided by Southeastern Louisiana University. Since the value of the facilities used by the Association are not readily determinable, no related donation income is recorded. In addition, and in accordance with Louisiana Revised Statutes 17:3390, the Association is of the opinion that all expenditures and in-kind services, except unrestricted funds used for administration, benefit the University. These amounts greatly exceed the cost of housing, personnel, and other support furnished to the Association by the University.

During the year ended June 30, 2006, the Association donated approximately \$154,921 to the University for the various sports programs. The amount owed to the University as of June 30, 2006 is \$131,946.

As of June 30, 2006, the Association owes \$64,018 the Southeastern Development Foundation, Inc. for assumption of debt relating to capital renovations and for uniforms purchased for the sports programs. For the year ending June 30, 2006, interest expense paid on this debt was \$1,587.

The Southeastern Alumni Association, an affiliated organization, donated \$19,625 for various sports programs for the year ended June 30, 2006. The Association reimbursed this affiliate \$219 for various expenditures.

For the year ended June 30, 2006, the Association remitted \$17,900 in sponsorship funds collected on behalf of the Head Football Coach's Broadcasts.

NOTE G – COMPENSATED ABSENCES

Contracted employees of the Association are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Association's policy is to recognize the costs of compensated absences when actually paid to employees.

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE H - CONTINGENCIES

The Association was named in a law suit filed in February 2004. A formal response has been filed by the Association in response to the allegations but no court action has been taken. Any estimate of liability for damages is not known at this time. Management is of the opinion that its outcome will not have a significant effect on the Association's financial statements.

NOTE I - PURCHASE COMMITMENTS

On July 1, 2006, the Association entered into a three year contract to purchase sporting apparel and footwear products for a minimum of \$75,000 per year. If the annual minimum is not met, the Association is liable to provide cash compensation equal to any deficiency.

SUPPLEMENTAL INFORMATION

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
SCHEDULE OF REVENUES, OTHER SUPPORT AND EXPENSES BY PROGRAM AND SUPPORTING SERVICES
FOR THE YEAR ENDED JUNE 30, 2006

	Program Services						
	Baseball	Basketball	Football	Golf	Softball	Tennis	Track
Unrestricted revenues and other support							
Donations	\$ 34,158	\$ 5,087	\$ 1,850	\$ 6,309	\$ 4,244	\$ 895	\$ 2,691
Sponsors	-	-	-	20,086	-	-	-
In-kind donations	18,499	4,221	85,150	-	-	-	-
Memberships	9,050	11,625	10,000	-	100	-	-
Special events/tournaments	26,589	2,405	34,206	37,493	2,755	-	-
Other revenue	-	-	5,945	320	823	-	-
Total unrestricted revenues and other support	88,296	23,338	137,151	64,208	7,922	895	2,691
Temporarily restricted revenues and other support	2,902	1,734	7,289	3,228	288	5	185
Total revenues and other support	91,198	25,072	144,440	67,436	8,210	900	2,876
Expenses							
Awards	-	-	-	-	-	-	-
Broadcast	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Fundraising	8,792	4,719	4,049	26,713	804	-	144
In-kind expenses	18,499	4,221	85,150	-	-	-	-
Insurance	-	-	2,399	-	-	-	-
Interest	-	-	1,025	-	-	-	-
Lease	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Membership benefits	-	-	-	-	-	-	-
Printing	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-
Radio/TV	-	-	-	-	-	-	-
Recruiting	63	2,238	60	7,467	896	-	-
Signs	-	-	-	-	-	-	-
Special events	-	-	-	-	-	-	-
Supplies	4,319	712	52	3,582	-	-	-
Taxes	124	930	2,106	-	-	-	-
Telephone	2,620	505	1,038	253	857	120	220
Travel	1,169	2,452	5,632	6,903	-	-	260
University programs	30,632	23,800	64,814	28,746	4,004	-	3,608
Vehicle expense	-	-	-	-	-	-	-
Total functional expenses	66,218	39,577	166,325	73,664	6,561	120	4,232
Change in net assets	\$ 24,980	\$ (14,505)	\$ (21,885)	\$ (6,228)	\$ 1,649	\$ 780	\$ (1,356)

See independent auditors' report

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
SCHEDULE OF REVENUES, OTHER SUPPORT AND EXPENSES BY PROGRAM AND SUPPORTING SERVICES
FOR THE YEAR ENDED JUNE 30, 2006

	Program Services							Supporting Services	Total
	Training Room	Volleyball	Soccer	Director Support	Student Athletic Advisory	Radio TV Facilities	Program Total	General and Administrative	
Unrestricted revenues and other support									
Donations	\$ 191	\$ 155	\$ 13,294	\$ 8,623	\$ 70	\$ -	\$ 22,333	\$ -	\$ 22,333
Sponsors	-	-	1,000	-	-	91,364	92,364	289,091	381,455
In-kind donations	-	-	-	-	-	-	-	56,594	56,594
Memberships	-	-	-	-	-	-	-	45,915	45,915
Special events/tournaments	-	2,436	220	-	-	-	2,656	2,490	5,146
Other revenue	-	-	-	-	-	420	420	11,911	12,331
Total unrestricted revenues and other support	191	2,591	14,514	8,623	70	91,784	117,773	406,001	523,774
Temporarily restricted revenues and other support	9	495	381	77	4	2,784	3,750	-	3,750
Total revenues and other support	200	3,086	14,895	8,700	74	94,568	121,523	406,001	527,524
Expenses									
Awards	-	-	-	-	-	-	-	4,437	4,437
Broadcast	-	-	-	-	-	-	-	875	875
Depreciation	-	-	-	-	-	9,338	9,338	1,337	10,675
Fundraising	-	4,200	909	-	-	-	5,109	-	5,109
In-kind expenses	-	-	-	-	-	-	-	52,959	52,959
Insurance	-	-	-	-	-	-	-	1,675	1,675
Interest	-	-	-	-	-	5,918	5,918	12,057	17,975
Lease	-	-	-	-	-	-	-	2,805	2,805
Other	-	-	-	-	-	-	-	10,960	10,960
Membership benefits	-	-	-	-	-	-	-	8,061	8,061
Printing	-	-	-	-	-	-	-	79,608	79,608
Professional fees	-	-	-	-	-	-	-	11,059	11,059
Radio/TV	-	-	-	-	-	-	-	3,474	3,474
Recruiting	-	2,515	3,629	-	-	-	6,144	-	6,144
Signs	-	-	-	-	-	-	-	4,917	4,917
Special events	-	-	-	-	-	-	-	4,015	4,015
Supplies	-	108	594	-	22	-	724	1,907	2,631
Taxes	-	-	-	-	-	-	-	205	205
Telephone	-	93	414	-	-	-	507	1,296	1,803
Travel	-	534	1,981	-	-	-	2,515	878	3,393
University programs	207	3,838	1,167	1,766	80	48,264	55,322	193,646	248,968
Vehicle expense	-	-	-	-	-	-	-	3,457	3,457
Total functional expenses	207	11,288	8,694	1,766	102	63,520	85,577	399,628	485,205
Change in net assets	\$ (7)	\$ (8,202)	\$ 6,201	\$ 6,934	\$ (28)	\$ 31,048	\$ 35,946	\$ 6,373	\$ 42,319

See independent auditors' report

OTHER INDEPENDENT AUDITORS' REPORT

Silva & Associates, LLC

Certified Public Accountants

Craig A. Silva, CPA
Brent A. Silva, CPA
Tom A. Gurtner, CPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Southeastern Athletics Association, Inc.
Hammond, Louisiana

We have audited the financial statements of Southeastern Athletics Association, Inc. (a non-profit corporation), as of and for the year ended June 30, 2006, and have issued our report thereon dated August 24, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Southeastern Athletics Association, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Southeastern Athletics Association, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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This report is intended for the information of management, others within the Association, the Louisiana Legislative Auditor, the federal awarding agencies, and pass-through entities. However, this report is a matter of public record, and its distribution is not limited.

Silva & Associates, LLC
August 24, 2006

**SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2006**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified		
Internal control over financial reporting:			
Material weaknesses identified?	_____ yes	X	no
Reportable conditions identified?			
not considered to be material weaknesses?	_____ yes	X	none reported
Noncompliance material to financial statements noted?	_____ yes	X	no

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	Not applicable.
Reportable conditions identified?	Not applicable.
not considered to be material weaknesses?	

Type of auditors' report issued on compliance for major programs:	Not applicable.
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Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	Not applicable.
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Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
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Not applicable.

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
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Auditee qualified as low-risk audit?	N/A
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Section II - Internal Control & Compliance

<u>Item Number</u>	<u>Agency/Program</u>	<u>Questioned Costs</u>
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No reported findings for the year ended June 30, 2006

Section III - Management Letter

No reported findings for the year ended June 30, 2006

**SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2006**

Ref. No.	Fiscal Year Finding Initially Occurred	Description	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
Section I - Compliance and Internal Control Material to the Financial Statements				
		No reported findings for the year ended June 30, 2005		
Section II - Internal Control and Compliance				
		No reported findings for the year ended June 30, 2005		
Section III - Management Letter				
2005-1		The purchasing function for the Association's operations has traditionally been performed at many department levels	Yes	A new purchasing policy has been put in place and approved by the Southeastern Athletics Association's Board. A purchase order will be submitted in advance for any purchase. Once approved the purchase order will be sent to the Association's accounting office. Vendor invoices will be sent directly to the Association's accounting department. Receipt of items will be verified with the appropriate staff and payment will be made. All purchase orders must be submitted by June 1 of any fiscal year with items received and invoices submitted for payment prior to June 30. Every attempt will be made to no longer issue checks without an invoice or supporting documentation. At times it is necessary to issue cash advances for travel or supplies to be purchased for an event. In these cases the person receiving the check will sign a statement stating that they will return the cash or receipts and that the funds are to be used for the stated purposes. Vendors will not be paid in the future without some type of documentation.
2005-2		Our audit testing procedures disclosed that various expenditures were made with no invoice or supporting documentation attached.	Yes	